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**SEARS**  
45 Congress St.  
Salem, MA 01970

U.S. BANKRUPTCY COURT  
550 W FORT ST #42  
BOISE ID 83724

Date: July 11, 2000  
Bankruptcy No.: 00-01480  
Chapter: 13

### STATEMENT OF ACCOUNT

SHARON A LEWANDOWSKI  
HC 34  
BOISE ID 83716

Account Number: 00 50749 30708 3  
Date Account Opened: Aug 01, 1994

Account Balance as of Date of Bankruptcy Filing: \$2,594.81

Direct all inquiries to: 1-800-366-7561

**SEARS NATIONAL BANK  
SEARS CARD ACCOUNT  
SEARS PREMIER CARD™ ACCOUNT  
CARDHOLDER ACCOUNT AND SECURITY AGREEMENT**

This Sears Card Account and Sears Premier Card Account Cardholder Account and Security Agreement ("Agreement") governs the use of your Sears Card Account and Sears Premier Card Account ("Account"). You should read and keep this Agreement for your records. You agree to use your Account only for personal, family or household purposes, and you intend to keep all merchandise purchased on the Account in your principal residence.

**Section 1. DEFINITIONS; ACCEPTANCE.** In this Agreement: (a) the words "you," "your" and "yours" mean any person named on the credit application or acceptance certificate as an accountholder, applicant, or co-applicant; (b) "Sears" means Sears, Roebuck and Co.; (c) the words "we," "us" and "our" mean Sears National Bank (an affiliate of Sears) or any subsequent holder of the Account or any balances arising under the Account; and (d) "Card" means a credit card issued by Sears National Bank for use with the Account. You agree that the terms and conditions of this Agreement apply to your use of your Account. You also agree that the terms and conditions apply to you when you allow any other person to use your account. Your acceptance of this Agreement is effective when you receive this Agreement. It will be considered effective the first time any accountholder, or other person you allow, uses the Account.

**Section 2. LOANS AND LIABILITY**

- (a) **Loans.** You authorize us to make loans and extend credit to you to pay for purchases of goods and services made using the Card or the Account. All transactions are subject to our approval. You may be required to sign a sales slip or other written authorization for purchases. You agree that your authorization, authentication, or instruction by mail, telephone or electronic means is effective as your signature.
- (b) **Liability.** You agree to pay all amounts owed on the Account whether incurred by you, any other accountholder, anyone you allow to use the Account or any person from which you receive a benefit. Every person who uses the Card or Account is liable for the use of the Card and Account according to the terms of this Agreement. Court decrees for divorce or separation do not affect liability for any use of the Card or Account. You promise to use your Account only if you have the intent and financial capacity when the transaction occurs to repay the amount in full pursuant to this Agreement.
- (c) **Joint Accounts.** If the Account is a joint Account, each accountholder is bound by the terms of this Agreement and is jointly and individually liable for all amounts owed under this Agreement even when they do not use the Account themselves. The delivery of notices or Account Statements (see Section 3 of this Agreement) to any accountholder or Authorized User (see Section 4) will constitute delivery to all accountholders. We may rely on instructions given by you and will not be liable for honoring any such instructions. If any accountholder gives us notice disclaiming liability for amounts owed under this Agreement, we may close the Account.
- (d) **Failure To Honor Card Or Authorize Transaction.** We are not responsible for the failure of any person to honor a Card or the Account. We will not be liable if, for any reason and at any time, we do not authorize a transaction on the Account, even if you have sufficient available credit.

**Section 3. ACCOUNT STATEMENT.** We will send you an account statement ("Account Statement") for each period (a "Billing Cycle") where there is purchase activity on the Account, there is a balance of \$1.00 or more, or a finance charge is imposed. The Account Statement (including the reverse side) contains important information and should be carefully read and reviewed each time it is received.

**Section 4. AUTHORIZED AND UNAUTHORIZED USE**

- (a) **Authorized Users.** You may ask that an individual be added, deleted or changed as an authorized user ("Authorized User") by calling us at the telephone number, or writing to us at the address, indicated on your Account Statement. You understand we will issue a Card to each Authorized User. If you terminate this authority, you will retrieve the Card from the Authorized User and destroy the Card. Any Authorized User may use the Account, and may take any action on the Account that you could take, either on behalf of your self or the Authorized User. Each Authorized User grants us a security interest in any property purchased with the Account in accordance with Section 6 of this Agreement. You understand that: (i) this Agreement controls all charges made on the Account by the Authorized User; (ii) you are responsible for and will pay all charges made by the Authorized User; (iii) we may disclose information about the Account to the Authorized User; (iv) the Authorized User is your agent for purposes of managing the Account to the same extent you can manage the Account, subject to such limitations as we may impose; and (v) we may, without any liability, accept and act upon the directions or requests of any Authorized User, including to process requests to raise or lower a Credit Limit (see Section 5 of this Agreement) application to the Account. You understand that we do not encourage the use of the Account by people who are not accountholders or Authorized Users. If you allow another person to use the Account but do not tell us, we will treat all charges made by that person as if the charges were made by an Authorized User. It is your responsibility to control or terminate the use of your Account by such persons, and you will remain liable for any and all use by such persons.
- (b) **Unauthorized Use.** If you discover or believe that any charge on the Account is unauthorized, you agree to call us immediately at the telephone number, or write to us at the address, indicated on your Account Statement and to cooperate with us in making a reasonable investigation of your claim. If you give us oral notice concerning loss or theft, we may ask you to confirm it in writing.
- (c) **Liability for Unauthorized Use.** You may be liable for the unauthorized use of the Account. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft or possible unauthorized use. Your liability for unauthorized use of the Account will not exceed \$50.

**Section 5. CREDIT LIMIT.** We may identify your credit limit ("Credit Limit") when the Account is opened and on each Account Statement. If a Credit Limit is not currently assigned to your Account, we may assign one at any time. We may increase, decrease, suspend or terminate a Credit Limit at any time without notice to you and without affecting your obligations (including payment) under this Agreement. If a Credit Limit is assigned to the Account, the amount available for use is reduced by unpaid balances, special promotions and transactions authorized but not posted. You understand there may be a delay after you make a payment before the amounts repaid are available for re-borrowing. You agree not to exceed any available Credit Limit established by us. An overpayment or credit balance will not increase the Credit Limit. We may authorize purchases that exceed a Credit Limit. You agree to be responsible for all charges made on the Account whether or not they exceed your Credit Limit.

**Section 6. SECURITY INTEREST.** Each accountholder (and each Authorized User) grants us a purchase money security interest under the Uniform Commercial Code in each item of merchandise purchased on the Account, to the extent permitted by law, to secure only the purchase price of the merchandise (including installation costs and sales tax) until that amount is paid in full. If you do not make payments as agreed, this security interest allows us to repossess, to the extent permitted by law, only the merchandise which has not been paid in full. If the merchandise is intended to be installed as a fixture, our security interest is effective before installation. We waive any right to a security interest or lien on your dwelling to secure this Account that may arise by operation of law or that gives rise to a right of rescission under the federal Truth in Lending Act. However, we do not waive any lien created, obtained or granted in a collection proceeding or by judgment or other court order. You understand and agree that you are responsible for any loss or damage to the merchandise until the purchase price is fully paid.

**PAYMENTS**

**Section 7. PAYMENT OPTIONS.** You may pay the "Total Account Balance" shown on your Account Statement each month. If you do not pay the Total Account Balance on your Account in full each month, you agree to pay at least the "Minimum Payment Due" shown on each Account Statement by the "Minimum Payment Due Date" shown on that Account Statement. You may always pay more than the required Minimum Payment Due and may pay your Total Account Balance in full at any time.

**Section 8. MINIMUM PAYMENTS.** The Minimum Payment Due is based on the current Total Account Balance, as shown on your Account Statement, less any Deferred Payment Balances (defined in Section 10 of this Agreement). The Minimum Payment Due each Billing Cycle will equal the scheduled monthly minimum payment ("Scheduled Monthly Payment"), plus: (a) any applicable insurance charges assessed that Billing Cycle; and (b) any past due amounts. The Scheduled Monthly Payment will equal .0238 (approximately 1/42nd) of the Total Account Balance less any Deferred Payment Balances, rounded to the next higher whole dollar amount, but not less than \$10.00. If, however, the Total Account Balance less any Deferred Payment Balances is less than \$10.00 but more than \$0, you must pay the Total Account Balance less any Deferred Payment Balances.

**Section 9. CREDITS AND PAYMENTS**

- (a) **Refunds.** Cash refunds will not be made for merchandise or services purchased with the Account. Refunds will be made only by a credit to the Account.
- (b) **Method of Payment.** You agree to repay all amounts owed on the Account in U.S. dollars. All payments should be made by negotiable instruments drawn on federally-insured depository institutions located in the U.S. or Puerto Rico. Payments received at the payment processing location specified on your Account Statement by 1:00 p.m. local time, on a business day, will be credited as of the day of receipt. Payments received at that location after 1:00 p.m. local time will be credited to your Account the next business day. Our business days are Monday through Friday, excluding federal holidays. Crediting to your Account may be delayed up to five days if payment is: (a) received at any location other than the payment processing location specified on your Account Statement (including payments made at Sears stores); (b) not made in U.S. dollars drawn on a federally-insured depository financial institution located in the U.S. or Puerto Rico; or (c) not accompanied by the remittance portion of your Account Statement. We may charge a late payment fee and/or additional Finance Charges if any payment is not received or credited by the required time and date. Although we will credit your payment as described in this section, your available Credit Limit, if one is assigned to the Account, may not be restored for several days after we receive your payment.
- (c) **Conditional Payments.** Any conditional check, money order or any other instrument tendered with a restrictive endorsement or as full satisfaction of a disputed debt must be sent to our address for billing error notices, shown on each Account Statement, and must conspicuously state on the face of the payment or in an accompanying letter that it is tendered for this purpose. If you make payment in any other way and we accept it, we will not have waived our right to collect any amount from you owing under this Agreement.
- (d) **Application of Payments.** Payments received will be applied in the following order: Sears Credit Protection Plan insurance charges, Finance Charges, returned payment charges, Regular Purchases (see Section 12) in the order in which they were made, late charges, Deferred Payment Balances (see Section 10) in the order in which they were made, and No Finance Charge Balances (see section 10) in the order in which they were made. If more than one item is charged to your Account on the same date, your payment will apply first to the lowest priced item(s). However, we will apply payments received on the Account to special promotion purchases (see Section 10), other than Deferred Payment and No Finance Charge Balances, before applying them to Regular Purchases, regardless of the order in which purchases were made.